

Section 3.0 – Using practice data in contracting

3.1 - The contracting process is a discussion between two parties (you and the payer). The communication these days often takes place via e-mail or telephone conversation (or both) and it may take several weeks or months to reach the best agreement for your practice. We have many examples of complex negotiations which have taken more than a year to complete. (*See the example below.*) A good agreement is not just about the reimbursement rate. A good agreement should define your relationship, each parties' responsibilities, and expectations of each other (reimbursement rates, pre-cert process, timing, clean claims, co-pays, etc.)



Example: We are currently engaged in a very long negotiation with one of the larger payers for a new payment rates, not overall increases in this case, but more so the nuances of how diagnostics are paid. We have requested, on behalf of the practice, a look at the payer's overall cost of care data to show this particular practice vs. the general market of providers in this payer's network. We believe we have a lower overall cost of care! We want to prove it not only with practice data but the payers as well.

This is a great example of a collaborative conversation which will help both the practice and the payer. The practice wants to see what they do well and what they could do better. The result will be a closer relationship with the payer, more patient volume and some upward adjustments to rates as they meet goals.

3.2 - An incredibly important part of the agreement, and the on-going relationship, is centered around information and data! Your practice data plays a crucial role in contracting discussions to help you support your claims and give tangible evidence of your success. It is one thing to approach a payer and say "I am the best provider in town, please give me more money", but it is an entirely different conversation when you come to the table armed with proof that you truly are the best provider, and the payers' members who are assigned to you are getting great, cost effective care.

3.3 - Being a part of the SIM initiative gives you an advantage by granting access to data aggregation tools (Stratus), training on Clinical Quality Measures (CQMs), and a better understanding of cost and utilization. This information is powerful and can be used to your advantage when working on your contracts. We will cover the importance of your data in more depth through every section of this curriculum to give you a better understanding of how to use your sources effectively to achieve success.



Knowing your payer is very important to success in contracting. Knowing yourself, your statistics, your cost of care, your referral patterns, your patients and their costs makes you invaluable to a payer network. This will help you focus on the more important parts of your contract and will produce a stronger outcome on the back end of this process. Remember though, contracting is a never-ending story!

Chapter 1 Worksheets

The worksheets on the following pages are designed to get you in the contracting frame of mind by compiling the basic practice information that payers ask for when initiating contract discussions. This information may seem obvious, but it is important to have on hand nonetheless.

Practice Demographics -

The smaller box at the top of the page contains a list of the documents that are either required or helpful in the initial stages of contracting. Things like your **current contracts** and the **top 20 CPT codes** for your practice will help focus your efforts towards what payers you are targeting and what services you perform the most. Documents like a **current roster** and signed **practice W9** are often requested by the payers from the start. It is never a bad idea to have these ready when starting the conversation. The larger box on the bottom half of the page is the basic demographic information for your practice. All of this information will be needed on hand to provide to the payers.

Payer Breakdown Table -

This table will help you analyze and organize the payers that are most important to your practice. Use your EHR System to pull reports that show you which payers you see the most patients for. When you have an idea of the volume that comes into your practice, you can then focus your efforts on those payers that are the most important to you.

Contract Log –

This is an example of a contracting log. We recommend that you keep something similar to this so that you can keep track of all your contracting discussions with the various payers and their representatives. We recommend keeping this log in excel format, but feel free to use this example in any way you see fit.

Please fill out the survey included in the link below. Tell us what you think!

Survey Link: <https://www.surveymonkey.com/r/9QR6SPV>

**Worksheets attached on next page.*

Important Documents

- Current Physician Roster with Specialties
- Practice W9
- List of top 20 CPT codes
- List of Current Payers
- Copies of Current Payer contracts

Practice Information

Legal Business Name (and DBA if applicable):

Primary Practice Location:

Address: _____ Ste: _____

City: _____ State: _____ Zip+4: _____

Practice Manager: _____

Phone: _____ Fax: _____

Email: _____

Practice Website: _____

Billing/Remittance Address (if different from above):

Address: _____ Ste: _____

City: _____ State: _____ Zip+4: _____

Phone: _____ Fax: _____

Best Practice Contact: _____

Name of Authorized Signer: _____

Identification Numbers:

Tax ID#: _____

Group NPI: _____

Payer Breakdown Table:

This table will help you analyze and organize the payers that are most important to your practice. Use your EHR System to pull reports that show you which payers you see the most patients for. When you have an idea of the volume that comes into your practice, you can then focus your efforts on those payers that are the most important to you.

Payer Breakdown by Volume		
Payer:	Volume (%):	Notes:
Aetna		
Anthem BCBS		
Cigna		
Colorado Access		
Cofinity		
First Health		
Humana		
Medicare		
Medicaid		
Multiplan		
RMHP		
Tricare		
United Healthcare		

